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中銀香港(控股)有限公司

BOC HONG KONG (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Codes: 2388 (HKD counter) and 82388 (RMB counter)

CONNECTED TRANSACTIONS

- (1) PROPOSED ACQUISITION OF THE ENTIRE SHARE CAPITAL OF
BOCI PRIVATE BANK; AND
(2) PROPOSED DISPOSAL OF THE ENTIRE SHARE CAPITAL OF
PO SANG SECURITIES**

The Board is pleased to announce that on the date of this announcement, BOCHK and BOCI Asia have entered into (i) the Acquisition Agreement, pursuant to which BOCHK has agreed to acquire and BOCI Asia has agreed to dispose of all the issued shares of Bank of China International Limited (“BOCI Private Bank”); and (ii) the Disposal Agreement, pursuant to which BOCHK has agreed to dispose of and BOCI Asia has agreed to acquire all the issued shares of Po Sang Securities Limited (“Po Sang Securities”). Each of the Acquisition Agreement and the Disposal Agreement was entered into following a separate and independent public bidding process conducted through the SZ Equity Exchange.

BOC currently indirectly holds approximately 66.06% of the total number of issued shares of the Company as at the date of this announcement (as recorded in the register maintained by the Company pursuant to section 336 of the SFO). BOC holds the entire issued share capital of BOCI, which in turn holds the entire issued share capital of BOCI Asia. Accordingly, BOCI Asia is a connected person of the Company. As such, each of the Proposed Acquisition and the Proposed Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that one or more of the applicable percentage ratios in respect of each of the Proposed Acquisition and the Proposed Disposal are more than 0.1% but less than 5%, each of the Proposed Acquisition and the Proposed Disposal is subject to the reporting and announcement requirements but exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

The Board wishes to emphasise that the completion of each of the Proposed Acquisition and the Proposed Disposal is subject to the satisfaction (or, if applicable, waiver) of its respective conditions precedent including the obtaining of requisite approvals from regulatory authorities. The Company will make further announcement(s) with regard to the Proposed Acquisition and/or the Proposed Disposal in compliance with the Listing Rules and/or Part XIVA of the SFO as and when appropriate or required.

As the completion of the Proposed Acquisition and the Proposed Disposal is subject to the satisfaction (or, if applicable, waiver) of the conditions precedent stated in the Acquisition Agreement and the Disposal Agreement respectively, the Proposed Acquisition and/or the Proposed Disposal may or may not proceed to completion. Accordingly, shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on the date of this announcement, BOCHK and BOCI Asia have entered into (i) the Acquisition Agreement, pursuant to which BOCHK has agreed to acquire and BOCI Asia has agreed to dispose of all the issued shares of BOCI Private Bank; and (ii) the Disposal Agreement, pursuant to which BOCHK has agreed to dispose of and BOCI Asia has agreed to acquire all the issued shares of Po Sang Securities. Each of the Acquisition Agreement and the Disposal Agreement was entered into following a separate and independent public bidding process conducted through the SZ Equity Exchange.

PRINCIPAL TERMS OF THE ACQUISITION AGREEMENT

Date: 24 January 2025

Parties: BOCI Asia (as seller) and BOCHK (as buyer)

Assets agreed to be transferred: 1,000,000 issued ordinary shares of BOCI Private Bank, representing all the issued shares of BOCI Private Bank

Consideration

The consideration for the Proposed Acquisition is RMB1,914 million (equivalent to approximately HK\$2,097 million based on the agreed exchange rate in respect of the Acquisition Agreement), which shall be satisfied in cash out of internal resources in the following manner:

- (a) an initial deposit in the amount of HK\$629 million (equivalent to approximately RMB574 million based on the agreed exchange rate in respect of the Acquisition Agreement) has been paid by BOCHK to BOCI Asia upon submission of bid by BOCHK; and
- (b) the remaining balance of the consideration in the amount of HK\$1,468 million (equivalent to approximately RMB1,340 million based on the agreed exchange rate in respect of the Acquisition Agreement) shall be paid by BOCHK to BOCI Asia in immediately available funds on the Completion Date for the Proposed Acquisition.

The consideration for the Proposed Acquisition of RMB1,914 million, being the initial listing price and the final bidding price of all the issued shares of BOCI Private Bank on the SZ Equity Exchange, was determined with reference to various relevant factors, including (i) the financial position and performance of BOCI Private Bank; (ii) potential synergies that can be achieved from the Proposed Acquisition; (iii) the development potential of the private banking market; and (iv) trading value of comparable companies and precedent transactions in the private banking and wealth management industry.

Conditions precedent

Completion of the Proposed Acquisition is conditional upon the satisfaction (or, if applicable, waiver) of the conditions precedent set out in the Acquisition Agreement including:

- (a) BOCHK and BOCI Asia each having obtained or completed all necessary regulatory permits, licences, consents and approvals and/or notifications required for the Acquisition Agreement, and all such regulatory permits, licences, consents and approvals not having been revoked or withdrawn at any time before completion of the Proposed Acquisition; and

- (b) no circumstances having arisen prior to the Completion Date for the Proposed Acquisition which would have a material change on the economic environment, financial condition, business prospects, regulatory status or any regulatory approval of, or exemptions applicable to, (i) BOCI Asia Group, (ii) BOCHK and its subsidiaries or (iii) BOCI Private Bank.

which are yet to be satisfied as of the date of this announcement.

Completion

Subject to the satisfaction (or, if applicable, waiver) of the conditions precedent in the Acquisition Agreement, completion of the Proposed Acquisition will take place on the Completion Date for the Proposed Acquisition. Upon completion of the Proposed Acquisition, BOCHK will own all the issued shares of BOCI Private Bank, which will become an indirect wholly-owned subsidiary of the Company, and the assets, liabilities and financial results of BOCI Private Bank will be consolidated into the financial statements of the Company.

Completion of the Proposed Acquisition is not conditional upon the occurrence of the completion of the Proposed Disposal.

Post-completion arrangements

An agreement and/or schedule(s) of works is planned to be entered into between BOCI and BOCI Private Bank (where agreed, and other party(ies)) on the Completion Date for the Proposed Acquisition in relation to certain services to be provided to BOCI Private Bank to facilitate smooth transition after completion of the Proposed Acquisition.

PRINCIPAL TERMS OF THE DISPOSAL AGREEMENT

Date: 24 January 2025

Parties: BOCHK (as seller) and BOCI Asia (as buyer)

Assets agreed to be transferred: 3,350,000 issued ordinary shares of Po Sang Securities, representing all the issued shares of Po Sang Securities

Consideration

The consideration for the Proposed Disposal is RMB410 million (equivalent to approximately HK\$449 million based on the agreed exchange rate in respect of the Disposal Agreement), which shall be satisfied in the following manner:

- (a) an initial deposit in the amount of HK\$135 million (equivalent to approximately RMB123 million based on the agreed exchange rate in respect of the Disposal Agreement) has been paid by BOCI Asia to BOCHK upon submission of bid by BOCI Asia; and
- (b) the remaining balance of the consideration in the amount of HK\$314 million (equivalent to approximately RMB287 million based on the agreed exchange rate in respect of the Disposal Agreement) shall be paid by BOCI Asia to BOCHK in immediately available funds on the Completion Date for the Proposed Disposal.

The consideration for the Proposed Disposal of RMB410 million, being the initial listing price and the final bidding price of all the issued shares of Po Sang Securities on the SZ Equity Exchange, was determined with reference to various relevant factors, including (i) the financial position and performance of Po Sang Securities; (ii) future development prospect of Po Sang Securities; (iii) potential synergies that can be achieved between Po Sang Securities and the buyer; and (iv) trading value of comparable companies in the securities brokerage industry.

Conditions precedent

Completion of the Proposed Disposal is conditional upon the satisfaction (or, if applicable, waiver) of the conditions precedent set out in the Disposal Agreement including:

- (a) BOCHK and BOCI Asia each having obtained or completed all necessary regulatory permits, licences, consents and approvals and/or notifications required for the Disposal Agreement, and all such regulatory permits, licences, consents and approvals not having been revoked or withdrawn at any time before completion of the Proposed Disposal; and
- (b) no circumstances having arisen prior to the Completion Date for the Proposed Disposal which would have a material change on the economic environment, financial condition, business prospects, regulatory status or any regulatory approval of, or exemptions applicable to, (i) BOCHK Group, (ii) BOCI Asia and its subsidiaries or (iii) Po Sang Securities.

which are yet to be satisfied as of the date of this announcement.

Completion

Subject to the satisfaction (or, if applicable, waiver) of the conditions precedent in the Disposal Agreement, completion of the Proposed Disposal will take place on the Completion Date for the Proposed Disposal. Upon completion of the Proposed Disposal, BOCHK will cease to own any of the issued shares of Po Sang Securities, and Po Sang Securities will no longer be a subsidiary of both of BOCHK and the Company.

Completion of the Proposed Disposal is not conditional upon the occurrence of the completion of the Proposed Acquisition.

Post-completion arrangements

An agreement and/or schedule(s) of works is planned to be entered into between BOCHK and Po Sang Securities (where agreed, and other party(ies)) on the Completion Date for the Proposed Disposal in relation to certain services to be provided to Po Sang Securities to facilitate smooth transition after completion of the Proposed Disposal.

INFORMATION ON BOCI PRIVATE BANK AND PO SANG SECURITIES

(A) BOCI Private Bank

Overview

BOCI Private Bank is a restricted license bank authorised under the Hong Kong Banking Ordinance, and is principally engaged in the provision of banking, financial and other related services in Hong Kong. BOCI Private Bank is a wholly-owned subsidiary of BOCI Asia. As at the date of this

announcement, its issued share capital is HK\$1,000 million.

Financial information

The audited net asset value of BOCI Private Bank as of 30 June 2024 was HK\$1,798 million.

The audited net profit before and after tax of BOCI Private Bank for the two financial years ended 31 December 2022 and 31 December 2023 were as follows:

	For the year ended 31 December 2022 (audited)	For the year ended 31 December 2023 (audited)
Net profit before tax (in HK\$ thousands)	9,524	3,342
Net profit after tax (in HK\$ thousands)	9,147	5,052

(B) Po Sang Securities

Overview

Po Sang Securities was established in Hong Kong in 1993 and is a wholly-owned subsidiary of BOCHK. As at the date of this announcement, its issued share capital is HK\$335 million. Po Sang Securities is a licensed corporation authorised under the SFO to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities, and is principally engaged in dealing in securities on behalf of its clients on the Stock Exchange.

Financial information

The audited net asset value of Po Sang Securities as of 30 June 2024 was HK\$385 million.

The audited net profit before and after tax of Po Sang Securities for the two financial years ended 31 December 2022 and 31 December 2023 were as follows:

	For the year ended 31 December 2022 (audited)	For the year ended 31 December 2023 (audited)
Net profit before tax (in HK\$ thousands)	31,575	9,398
Net profit after tax (in HK\$ thousands)	26,597	8,549

INFORMATION ON THE PARTIES

The Company and BOCHK

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of banking and financial services in Hong Kong.

BOCHK is a locally incorporated licensed bank and is one of the three note-issuing banks and the sole clearing bank for RMB business in Hong Kong.

BOCI Asia

BOCI Asia and its subsidiaries are principally engaged in providing investment banking services to domestic and international companies, financial institutions, government agencies and individuals through its subsidiaries and affiliates in Hong Kong.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION AND THE PROPOSED DISPOSAL

The Directors believe that the Proposed Acquisition would further strengthen the Company's position in the private banking market, accelerate the enhancement of wealth management services, product innovation, marketing capability and competitive edge of its private banking business in Hong Kong and promote high-quality and sustainable development in its private banking business.

The Directors believe that the Proposed Disposal would streamline the Company's corporate structure, reinforce its focus and further enhance the competitiveness of the Company's core businesses, and unleash the potential of Po Sang Securities under the new shareholding structure.

The terms of the Acquisition Agreement and the Disposal Agreement were negotiated on arm's length basis between BOCHK and BOCI Asia. The Directors (including the independent non-executive Directors) are of the view that the terms of the Acquisition Agreement and the Disposal Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and are in the interests of the Company and the shareholders of the Company as a whole. The non-executive Director, namely Mr GE Haijiao, is also the executive director of BOC, and accordingly has abstained from voting on the resolutions in respect of the transactions contemplated under the Proposed Acquisition and the Proposed Disposal.

LISTING RULES IMPLICATIONS

BOC currently indirectly holds approximately 66.06% of the total number of issued shares of the Company as at the date of this announcement (as recorded in the register maintained by the Company pursuant to section 336 of the SFO). BOC holds the entire issued share capital of BOCI, which in turn holds the entire issued share capital of BOCI Asia. Accordingly, BOCI Asia is a connected person of the Company. As such, each of the Proposed Acquisition and the Proposed Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that one or more of the applicable percentage ratios in respect of each of the Proposed Acquisition and the Proposed Disposal are more than 0.1% but less than 5%, each of the Proposed Acquisition and the Proposed Disposal is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

The Board wishes to emphasise that the completion of each of the Proposed Acquisition and the Proposed Disposal is subject to the satisfaction (or, if applicable, waiver) of its respective conditions precedent including the obtaining of requisite approvals from regulatory authorities. The Company will make further announcement(s) with regard to the Proposed Acquisition and/or the Proposed Disposal in compliance with the Listing Rules and/or Part XIVA of the SFO as and when appropriate or required.

As the completion of the Proposed Acquisition and the Proposed Disposal is subject to the satisfaction (or, if applicable, waiver) of the conditions precedent stated in the Acquisition Agreement and the Disposal Agreement respectively, the Proposed Acquisition and/or the Proposed Disposal may or may not proceed to completion. Accordingly, shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Acquisition Agreement”	the sale and purchase agreement entered into on 24 January 2025 between BOCHK and BOCI Asia for the acquisition of all of the issued shares of BOCI Private Bank by BOCHK from BOCI Asia
“Board”	the board of Directors
“BOC”	Bank of China Limited, a joint stock limited liability company established under the laws of the People’s Republic of China, the H shares and the A shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange respectively, which indirectly holds approximately 66.06% of the total number of issued shares of the Company as at the date of this announcement (as recorded in the register maintained by the Company pursuant to section 336 of the SFO)
“BOCHK”	Bank of China (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of the Company
“BOCHK Group”	BOCHK and each of the companies which is, on the date of the Disposal Agreement, a subsidiary or holding company of BOCHK or a subsidiary of a holding company of BOCHK, and, for the purpose of the Disposal Agreement, excluding Po Sang Securities, and BOCI Asia and its subsidiaries
“BOCI”	BOC International Holdings Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of BOC

“BOCI Asia”	BOCI Asia Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of BOCI
“BOCI Asia Group”	BOCI Asia and each of the companies which is, on the date of the Acquisition Agreement, a subsidiary or holding company of BOCI Asia or a subsidiary of a holding company of BOCI Asia, and, for the purpose of the Acquisition Agreement, excluding BOCI Private Bank, and BOCHK and its subsidiaries
“BOCI Private Bank”	Bank of China International Limited, a restricted license bank authorised under the Hong Kong Banking Ordinance and a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of BOCI Asia
“Company”	BOC Hong Kong (Holdings) Limited, a company incorporated under the laws of Hong Kong, the shares of which are listed on the Stock Exchange
“Completion Date for the Proposed Acquisition”	the date of completion of the Proposed Acquisition as provided in the Acquisition Agreement, being tenth business day after the date (not being later than the Long Stop Date) on which the last of the conditions precedent provided therein is satisfied or (if applicable) waived, or such other day as BOCHK and BOCI Asia may agree in writing
“Completion Date for the Proposed Disposal”	the date of completion of the Proposed Disposal as provided in the Disposal Agreement, being tenth business day after the date (not being later than the Long Stop Date) on which the last of the conditions precedent provided therein is satisfied or (if applicable) waived, or such other day as BOCHK and BOCI Asia may agree in writing
“Directors”	directors of the Company
“Disposal Agreement”	the sale and purchase agreement entered into on 24 January 2025 between BOCHK and BOCI Asia for the disposal of all of the issued shares of Po Sang Securities by BOCHK to BOCI Asia
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	31 December 2026 or such later date as BOCHK and BOCI Asia may agree under the Acquisition Agreement or the Disposal Agreement (as appropriate)

“Po Sang Securities”	Po Sang Securities Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of BOCHK
“Proposed Acquisition”	the proposed acquisition of BOCI Private Bank pursuant to the terms and conditions of the Acquisition Agreement
“Proposed Disposal”	the proposed disposal of Po Sang Securities pursuant to the terms and conditions of the Disposal Agreement
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SZ Equity Exchange”	Shenzhen United Property and Equity Exchange in the People’s Republic of China

By Order of the Board
HUANG Xuefei
Company Secretary

Hong Kong, 24 January 2025

As at the date of this announcement, the Board comprises Mr GE Haijiao (Chairman), Mr SUN Yu (Vice Chairman and Chief Executive), Madam CHENG Eva**, Dr CHOI Koon Shum**, Madam FUNG Yuen Mei Anita**, Mr LAW Yee Kwan Quinn**, Mr LEE Sunny Wai Kwong**, Mr LIP Sai Wo** and Professor MA Si Hang Frederick**.*

** Non-executive Director*

*** Independent Non-executive Director*